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# Message Text

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43
ACTION EUR-06

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TO SECSTATE WASHDC 1519
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UNCLAS BUDAPEST 1654

E.O. 11652: N/A
TAGS: BEXP, HU
SUBJ: THE HUNGARIAN PAPER INDUSTRY
REF: STATE 131462

1. HUNGARIAN PAPER PRODUCTION IN 1974 IS EXPECTED TO REACH 320,000 TONS, CONSIDERABLY LESS THAN ANTICIPATED CONSUMPTION OF 540,000 TONS. MOST HUNGARIAN PAPER IMPORTS COME FROM THE SOVIET UNION AND OTHER CEMA COUNTRIES. OUTSIDE CEMA, FINLAND IS HUNGARY'S PRINCIPAL SUPPLIER OF PAPER.

2. PAPER CONSUMPTION, WHICH WILL BE ABOUT 54 KILOS PER CAPITA THIS YEAR, IS EXPECTED TO RISE TO 100 KILOS PER CAPITA IN 1990. TO HELP PREPARE FOR THIS GROWTH IN CONSUMPTION, SIX BILLION FORINTS HAVE BEEN APPROPRIATED FOR THE DEVELOPMENT OF THE PAPER INDUSTRY DURING THE CURRENT FIVE-YEAR PLAN. THE LARGEST INVESTMENT CURRENTLY UNDERWAY IN THE INDUSTRY IS FOR THE CONSTRUCTION OF A VERTICAL PAPER PLANT IN DUNAUJVAROS AT A TOTAL COST OF FOUR BILLION FORINTS. THIS COMPLEX WILL INCLUDE AN INSTALLATION WHICH WILL PRODUCE 50,000 TONS OF CELLULOSE ANNUALLY WITH MACHINES ORDERED FROM THE FINNISH METEX COMPANY. BELOIT ITALIA AND THE POLISH FAMPA ENTERPRISE ARE DELIVERING EQUIPMENT WHICH WILL PRODUCE 100,000 TONS OF CORRUGATED BASIC PAPER ANNUALLY AT THE DUNAUJVAROS INSTALLATION. THE SEMI-CELLULOSE AND CORRUGATED PAPER OPERATIONS ARE SCHEDULED TO BEGIN OPERATION IN 1976.
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3. TO MEET ITS LONG-TERM NEEDS FOR PAPER, HUNGARY WILL ALSO BE AN ACTIVE PARTNER IN THE LARGE CELLULOSE COMBINE BEING CONSTRUCTED IN EASTERN SIBERIA. TOTAL HUNGARIAN INVESTMENT IN THIS 880 MILLION RUBLE PROJECT IS EXPECTED TO TOTAL 50 MILLION RUBLES. HUNGARY WILL DELIVER BUILDING MATERIALS, MACHINES, AND OTHER EQUIPMENT TO BE USED IN CONNECTION WITH THE CONSTRUCTION OF THE SIBERIAN COMPLEX IN RETURN FOR 40,000 TONS OF WHITE SULFUR CELLULOSE ANNUALLY. TYISE SHIPMENTS ARE SCHEDULED TO BEGIN IN 1979.

4. THE HUNGARIAN IMPORTER OF TIMBER PAPER IS LINGNIMPEX, BUDAPEST V., HONVED UTCA 20. TECHNOIMPEX (BUDAPEST V, DOROTTYA U. 6) IS THE IMPORTER OF MACHINES FOR THE PAPER INDUSTRY. THE ADDRESS OF THE HUNGARIAN PAPER TRUST, WHICH COORDINATES THE ACTIVITIES OF HUNGARIAN PAPER PRODUCERS, IS BUDAPEST XXI, DUNA UTCA 42, TELEX 22-4017.
PEDERSEN

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